



Health Services
LOS ANGELES COUNTY

Los Angeles County
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Chief Deputy Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*



www.dhs.lacounty.gov

April 19, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF FISCAL YEAR 2010-11 APPROPRIATION
ADJUSTMENT FOR VARIOUS DEPARTMENT OF HEALTH
SERVICES INITIATIVES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of Fiscal Year 2010-11 Budget Adjustment for the Department of Health Services' Clinic Capacity Expansion Project and Encounter Summary Sheet Project.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached Fiscal Year (FY) 2010-11 Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to transfer services and supplies funding in the amount of \$9.063 million from the Provisional Financing Uses (PFU) to Health Services Administration's (HSA) operating budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will allow DHS to have sufficient funding in HSA's FY 2010-11 operating budget to cover anticipated expenditures to reimburse Public Private Partnership (PPP) provider agencies for capital infrastructure projects in the amount of \$5.011 million, and augment primary and specialty care services in the amount of \$2.587 million and Service Planning Area (SPA) 2 in the amount of \$0.965 million, in order to continue implementing the Clinic Capacity Expansion Project (CCEP). In addition, the recommended action will allow DHS to allocate the remaining \$0.5 million of \$1.5

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#30 APRIL 19, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

million previously approved by your Board for implementation of the Encounter Summary Sheet Project (ESSP).

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Approval of the attached FY 2010-11 BA will transfer services and supplies funding in the amount of \$9.063 million from the PFU to the HSA's operating budget to cover anticipated expenditures for the CCEP in the amount of \$8.563 million and ESSP in the amount of \$0.5 million.

The total CCEP and ESSP expenditures for FY 2010-11 are estimated to be \$23.859 million, which includes \$9.063 million from this BA request and \$14.796 million that is included in DHS' FY 2010-11 Final Budget. Subsequent year funding will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 3, 2009, your Board approved the recommendations by the CEO and DHS to implement the CCEP. The related implementation plan included funding of capital projects/renovations, including equipment, and services that would support the development of new and existing clinic sites in under-equity SPAs to address the current lack of infrastructure needed to expand capacity to new patients.

Pursuant to the authority delegated by your Board on January 12, 2010, DHS executed agreements with new and existing PPP provider agencies in order to implement the CCEP, at a cost not to exceed \$46.0 million for the period January 1, 2010 through December 31, 2012. The \$46.0 million was comprised of \$35.5 million for primary and specialty care services, \$7.8 million for capital infrastructure, and \$2.7 million for SPA 2 - inclusive of primary and specialty care services and capital infrastructure funds.

For FY 2009-10, your Board approved a BA in the amount of \$15.570 million to support the CCEP. Per DHS's implementation plan, the \$15.570 million included the entire \$7.8 million identified for capital infrastructure, of which \$6.482 million went unspent due to unanticipated program and project delays.

In addition, this is to inform your Board that a subsequent Board letter requesting delegated authority to execute a sole source agreement with Public Health Foundation Enterprises, Inc. (PHFE) will be recommended for your Board's approval in May 2011 to

Each Supervisor
April 19, 2011
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allow DHS to complete the second phase of the implementation of the ESS Project. Your Board was provided notice on January 25, 2011 that DHS would be initiating sole source negotiations with PHFE for continued program management of this project.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will enable DHS to continue implementing the CCEP through completion.

Respectfully submitted,



for Mitchell H. Katz, M.D.
Director

MHK:jca

Enclosure

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 110

DEPARTMENT OF HEALTH SERVICES

March 29, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2010-11

3 - VOTES

SOURCES

PFU - Health Services
A01-CB-2000-13749-13763
Services & Supplies
Decrease Appropriation

\$9,063,000

USES

HS - Health Services Administration
A01-HS-2000-20000
Services & Supplies
Increase Appropriation

\$9,063,000

SOURCES TOTAL: \$ 9,063,000

USES TOTAL: \$ 9,063,000

JUSTIFICATION

Approval of the Budget Adjustment (BA) will transfer funding in the amount of \$9.063 million from the Provisional Financing Use (PFU) to the Health Services Administration's Operating budget to cover anticipated expenditures for the Public-Private Partnership-Clinic Capacity Expansion Project (CCEP), which includes \$0.500 million in Encounter Summary Sheet Project (ESSP). The total expenditures for FY 2010-11 are estimated to be \$23.859 million, which includes \$9.063 million from this BA request and \$14.796 million that is included in the Department's FY 2010-11 Final Budget.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Mela Guerrero
AUTHORIZED SIGNATURE : Mela Guerrero, Controller (DHS Controller's Div.)

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

30 APR 19 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---

☒ ACTION

☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY *Karen Shukuma*

B.A. NO. 174

April 6 20 11

☒ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY *[Signature]*

April 6, 20 11

SEND 6 COPIES TO THE AUDITOR-CONTROLLER